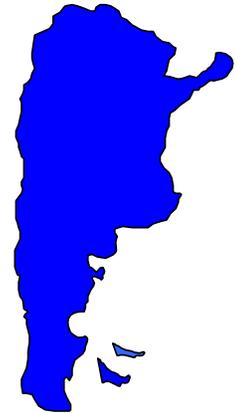


# ***DEVELOPMENTS IN ARGENTINA'S BIOFUELS VALUE CHAIN***



**USDA Global Conference on  
Agricultural Biofuels  
August 2007**

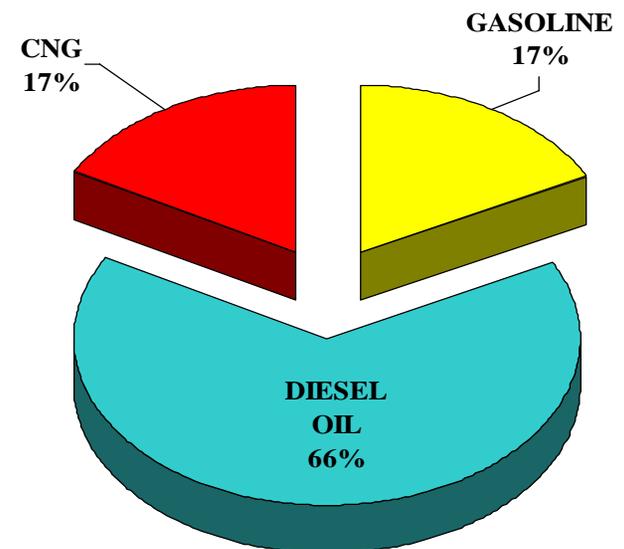
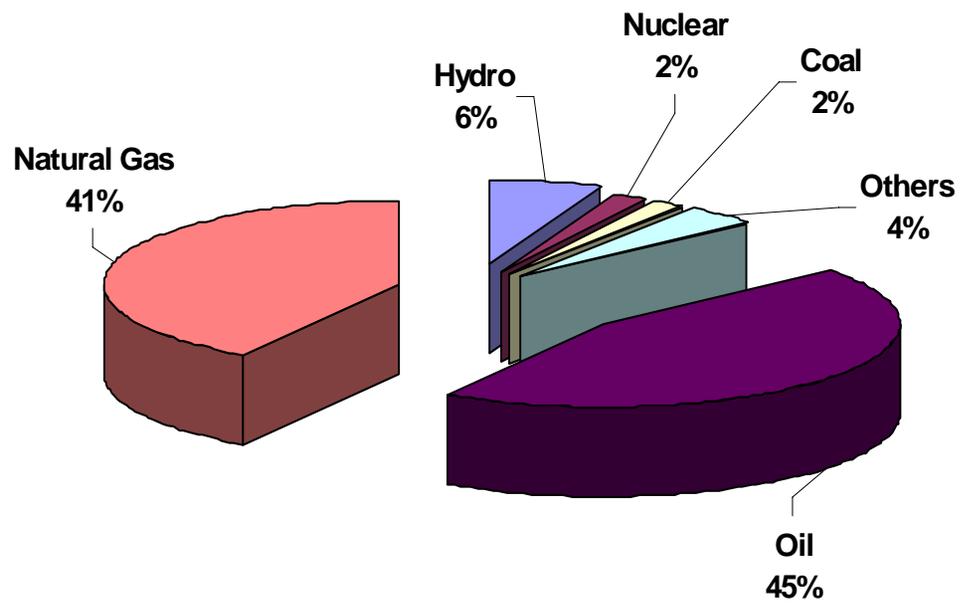
**NATIONAL BIOFUELS PROGRAMME  
MINISTRY OF ECONOMY AND PRODUCTION OF ARGENTINA**



ARGENTINA

# LIQUID FUELS - CONSUMPTION

SECRETARIAT OF AGRICULTURE



ARGENTINA

# **ARGENTINE COMPARATIVE ADVANTAGES FOR THE PRODUCTION OF BIOFUELS**

SECRETARIAT OF  
AGRICULTURE

- **Comparative advantages of Argentina in the production of oil crops: large and fertile extensions of land available for oilseed production.**
- **Flexibility for the implementation of oilseed crops from natural and artificial irrigation.**
- **Great number of ecosystems that allow for the growth of a diversity of crops.**

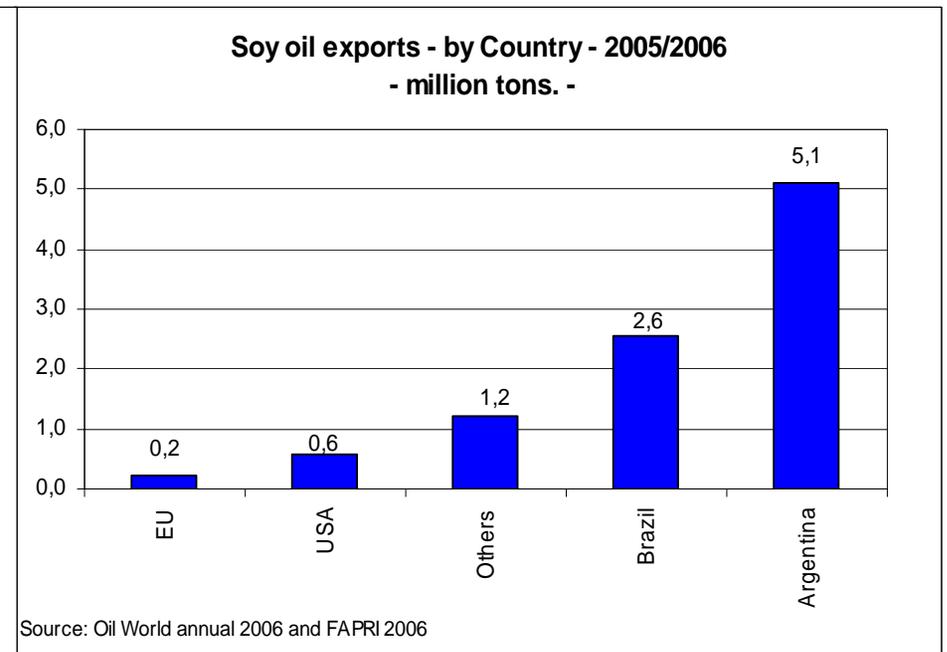
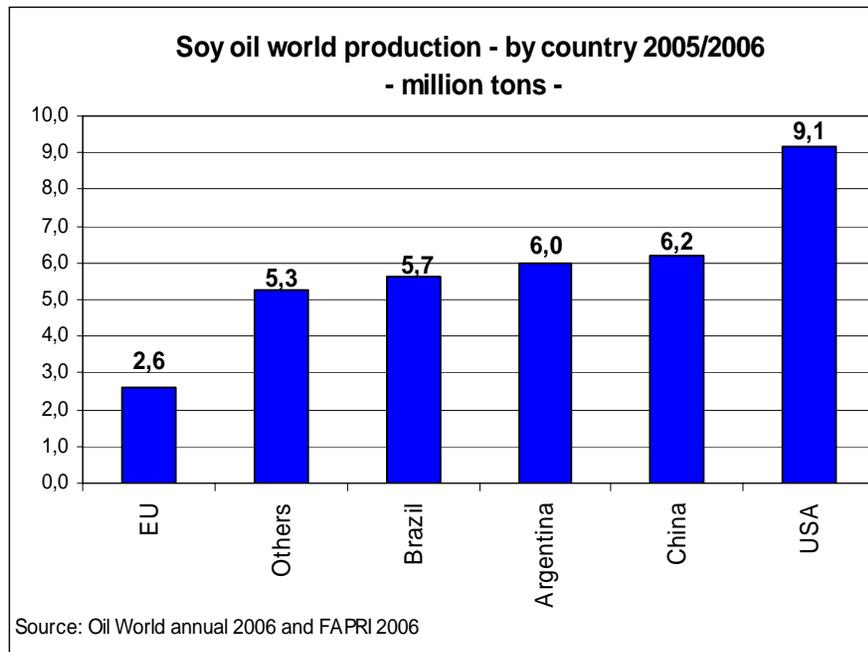


ARGENTINA

# ARGENTINE COMPARATIVE ADVANTAGES FOR THE PRODUCTION OF BIOFUELS

SECRETARIAT OF AGRICULTURE

## ARGENTINA IS THE No 1 EXPORTER AND No 3 WORLD PRODUCER OF SOY OIL

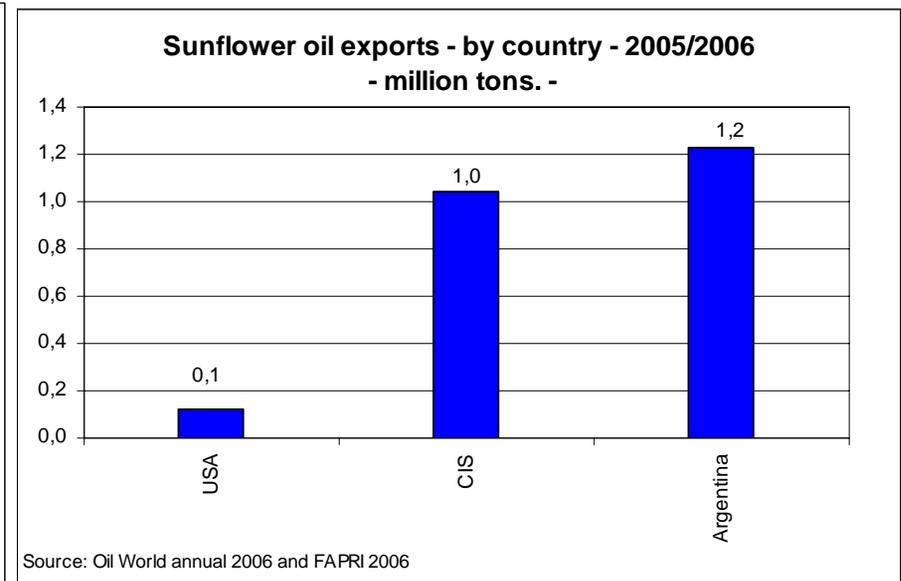
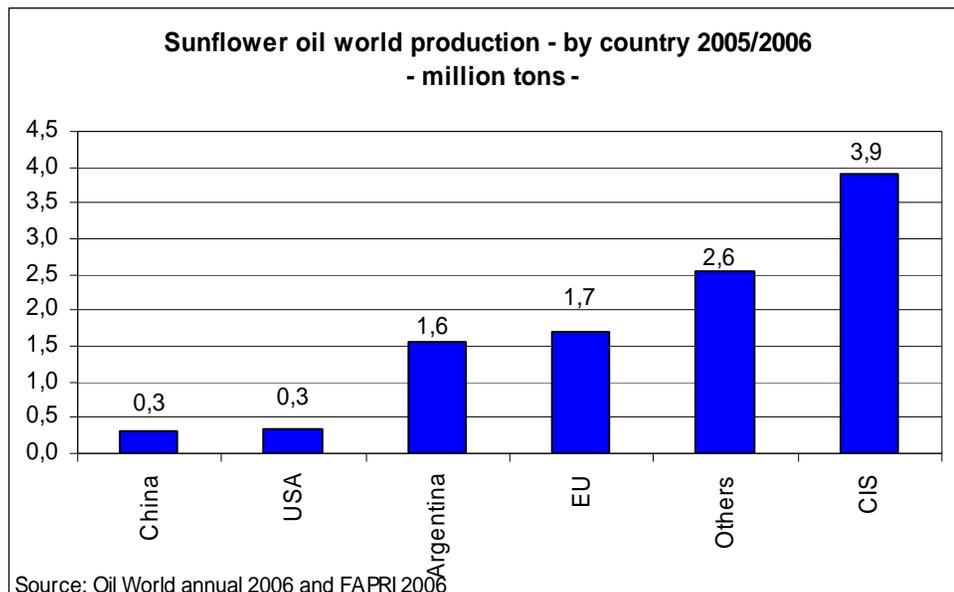


ARGENTINA

# ARGENTINE COMPARATIVE ADVANTAGES FOR THE PRODUCTION OF BIOFUELS

SECRETARIAT OF AGRICULTURE

## THE No 1 EXPORTER AND No 2 PRODUCER OF SUNFLOWER OIL IN THE WORLD

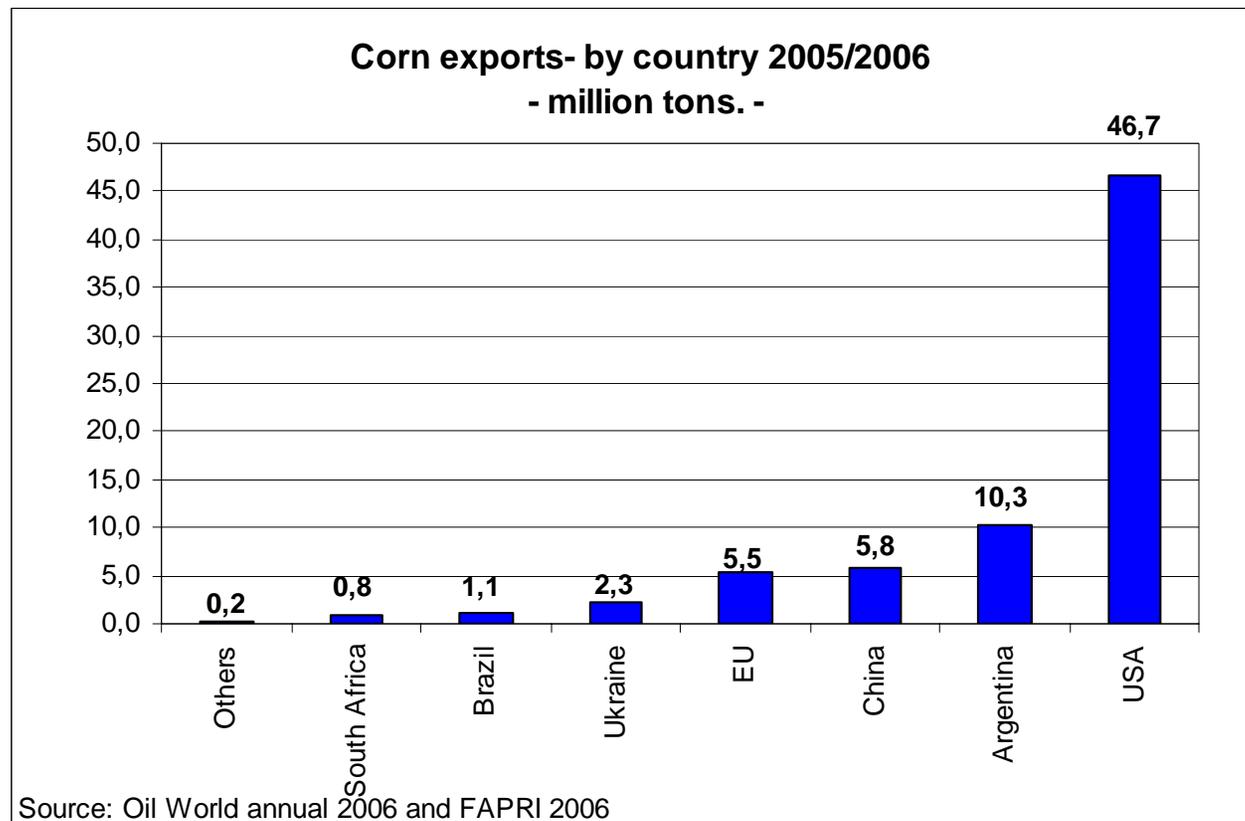


ARGENTINA

# ARGENTINE COMPARATIVE ADVANTAGES FOR THE PRODUCTION OF BIOFUELS

SECRETARIAT OF  
AGRICULTURE

## THE 2ND LARGEST WORLD EXPORTER OF CORN



ARGENTINA

# ARGENTINE COMPARATIVE ADVANTAGES FOR THE PRODUCTION OF BIOFUELS

SECRETARIAT OF  
AGRICULTURE

- One of the main exporters of vegetable oil in the world.
  - The vegetable oil industry in Argentina is export-oriented, sending 90% of its production to the foreign market.

SOY OIL	6.0 Million Tons
SUNFLOWER OIL	1.7 Million Tons
OTHERS	0.2 Million Tons

Source: Secretariat of Agriculture, Livestock, Fisheries and Food - Argentina

- 2006 crushing capacity : 160,000 tons/day.
- Favorable environmental impact: The use of biofuels reduces the emission of carbon dioxide (CO<sub>2</sub>) into the atmosphere
- Creation of the National Biofuels Programme



ARGENTINA

# ***LEGAL FRAMEWORK FOR THE DEVELOPMENT OF BIOFUELS IN ARGENTINA***

SECRETARIAT OF  
AGRICULTURE

- The Argentine Congress approved on April 19<sup>th</sup>, 2006 a law aimed to promote the use and production of biofuels in the country (biodiesel, bioethanol and biogas).
- Main aspects of the Law:
- 5% mandatory use of biodiesel and ethanol in all diesel oil and gasoline consumption, beginning January 1, 2010.
- The law prioritizes projects that accomplish the following criteria:
  - Sponsored by small and medium companies.
  - Belong to farmers.
  - Located in regional and rural economies.



ARGENTINA

# ARGENTINE GRAIN PRODUCTION

SECRETARIAT OF  
AGRICULTURE

Argentine total grain production for the 2006/2007 is estimated at 95,0 million tons. SOY, CORN and WHEAT account for almost 88% of total grain production.

Total Grain Production 2006/2007 season:

Grain	Planted area	Production	Share
	million hectares	million tons	%
SOY	16.1	47.6	50%
CORN	3.6	22.0	23%
WHEAT	5.6	14.6	15%
SUNFLOWER	2.4	3.6	4%
SORGHUM	0.7	3.0	3%
OTHERS	3.8	4.2	4%
<b>TOTAL</b>	<b>32.2</b>	<b>95.0</b>	<b>100%</b>

Source: Secretariat of Agriculture, Livestock, Fisheries and Food - Argentina



ARGENTINA

# BIODIESEL

- Projected diesel oil consumption for 2010: **12.5 million tons.**
- With the implementation of the 5% mandatory use of biofuels, the needed production of biodiesel is: **625,000 tons.**
- Quantity of vegetable oil = **650,000 tons.** (8% of total current production).
- Argentina's domestic consumption is only 6% of total vegetable oil production.



# BIOETHANOL

- Projected gasoline consumption for 2010: **3.5 million tons.**
- With the implementation of the 5% mandatory use of biofuels, the needed production of Ethanol is: **175,000 tons.**
- Area needed for corn = **77.000 hectares. (2% of total current planted area)**
- Quantity of corn needed = **540.000 tons (2% of total current production)**



## BIODIESEL

- *Plants under construction :*
  - One – 100.000 tons.
  - Three – 200.000 tons.
  - One – 300.000 tons.

### *Announcements:*

- Two – 200.000 tons.
- One – 100.000 tons.

**Total potential production capacity: 1.5 million tons.**

## BIOETHANOL

- *Announcements:*
  - Two – 100.000 tons.
  - One – 50.000 tons.

**Total potential production capacity: 250.000 tons.**

- Argentina has ideal growing conditions for the sustainable development of the raw materials needed for the production of biofuels.
- R&D is crucial in order to promote and develop non traditional energy crops for the production of biofuels.
- Argentina has immediate availability of the raw material needed to cover the 5% of mandatory use in all gasoline and diesel consumption.
- Argentina would become one of the major producers and exporter of biofuels worldwide



- From the economic and social point of view, the development of the Argentine biofuels industry will:
  - Create a new industry in our country.
  - Add value to grain and vegetable oil production since Argentina exports 70 percent of the corn and 90 percent of the vegetable oils that it produces.
  - Allow the development of energy crops in marginal areas, contributing to improve the quality of life of the population.
  - Have a favorable impact on the environment

